

# Water System Rates and Service

Providing safe, reliable drinking water is getting more complex and costly. Where do you turn when you have a problem with your water service or rates?

## **What does the UTC regulate?**

The UTC regulates **privately-owned** water companies that serve more than 100 customers or have charges that exceed an average of \$429 per customer per year.

## **How do I learn about rate increases? What can I do about them?**

Companies regulated by the UTC must give customers 30 days advance notice of any proposed rate increases. The notice must explain to customers how the company's proposal may affect them and how to comment on a proposal before the Commission takes action. Once a rate increase is proposed, the UTC can let you know when the proposal is coming up for consideration. You can learn more about the rate-setting process on page two of this brochure.

## **Who do I complain to about my service?**

Whenever you experience a problem with your water service or have a complaint, contact your service provider first and give it a chance to correct the problem. If you can't resolve your problem with the utility, there are two places to turn for help --

### **For problems with billing, meter reading, establishing service and similar issues contact the UTC**

Toll free Number: 1-800-562-6150.

Address: P.O. Box 47250 Olympia, WA 98504-7250

website: [www.wutc.wa.gov](http://www.wutc.wa.gov).

e-mail: [complaints@wutc.wa.gov](mailto:complaints@wutc.wa.gov)

### **For problems with the quality or quantity of your water contact the State Department of Health (DOH)**

Toll Free Number -- 1-800-521-0323 (ask for the Drinking Water Section)

Address: P.O. Box 47822, Olympia, WA 98504-7822

website: [www.doh.wa.gov](http://www.doh.wa.gov)

For more information about complaints, see page four.

# How does the UTC review rates?

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The UTC is a three-member Commission which oversees the rates and service of privately-owned utilities (including water, telephone, electric, and natural gas). Members are appointed by the Governor and confirmed by the State Senate. In reviewing rate increase requests, the UTC functions much like a court and must decide the case based on the evidence brought before it.

Regulated water companies can propose rate increases at any time, for any amount. Before a proposed rate increase takes effect, it must be filed with the UTC and customers must be notified. UTC staff then reviews the request, and a public meeting is held.

There are many factors that can lead to higher rates. Old pipes, storage tanks, and treatment equipment may need to be upgraded or replaced. Operating costs, such as the cost of engineering services or gas for repair trucks, can increase. At the same time, companies are not allowed to spend more than a “prudent” amount on their facilities or operations.

State law requires rates be fair and reasonable for customers but high enough to allow the company the opportunity to earn a profit. The UTC can set service standards and can penalize

companies for poor service, but it cannot deny rates that are needed to cover legitimate costs. Rates are based on each company’s specific cost structure and are not based on what customers of other water companies pay. Therefore rates vary widely among companies.

## **What are the steps in a Rate Case?**

“ The company files a rate increase proposal and necessary financial information with the UTC and notifies customers. Rates may go into effect in 30 days unless the Commission “suspends” the increase for further investigation.

“ UTC staff reviews the company’s financial information, making adjustments for expenses that are too high, for one-time expenditures and for expenses that should not be charged to customers.

“ Based on its review, if staff believes the request is justified, it will recommend that the commission allow the increase. If staff believes the company hasn’t proven the need for more money, it may recommend a revised, lower rate be approved or that the Commission suspend the rate increase and hold hearings.

“ Before the 30-day period lapses, the Commission decides whether to approve the increase at one of its regularly scheduled public “open meetings.” At the “open meeting” staff presents its recommendations and a summary of previously-received customer comments, representatives from the company and other agencies such as the Department of Health may comment, and customers are invited to speak.



“ Based on the information presented at the open meeting, the Commission may decide to approve the new rates without formal hearings.

“ Instead of approving the rates at the open meeting the Commission may decide that more review is needed to determine if the proposal is appropriate. If so, the Commission votes to “suspend” the increase from taking effect for more review. Usually a revised proposal is developed and brought back to an “open meeting” for consideration.

### **Appealing a UTC Decision**

All UTC decisions can be appealed to the courts. Depending on the type of decision, the rules about who can appeal are different.

“ If the Commission allows a rate change at an “open meeting,” any person who is affected by the change may appeal to the Superior Court of the county they live or do business in, the county in which the water company does business, or Thurston County.

“ If the case has gone to a formal hearing, only a “party” who took a formal role in the case may appeal the decision to court.

As of July 1999, it costs \$110 to file an appeal in Superior Court. Each county has different court rules, so you should contact the Superior Court in the county in which you wish to file an appeal for specific information on the procedure.

The information we have provided is general - specific cases may vary. While you don't have to have an attorney to appeal, you may wish to consult one about the particular circumstances of your case.

## **How to Get Your Comments Heard**

The UTC carefully considers public comments before making decisions. Public comments can identify issues that need to be addressed, including the way rates are set and safety concerns. To make your comments most effective, please:

“ Clearly state the company and the filing your comments are regarding. Include the “docket number” if you know it. The “docket number” is printed on the rate case notice.

“ Put your name, mailing address and phone number on the letter itself if case we need to contact you. Sometimes the envelope can be torn or lost.

“ Be as clear and specific as you can about your opinions and what you think should happen.

We have a number of ways you can submit your comments:

**Mail:**                    **WUTC**  
                                 **P.O. Box 47250**  
                                 **Olympia, WA 98504-7250**

**Phone:**                **1-800-562-6150 (toll free)**

**e-mail:**  
**comments@wutc.wa.gov**

If you need more information about the status of a particular case, don't hesitate to contact the UTC.

# How do I file a service complaint?

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Sometimes you don't get the service you expect. Whenever you experience a problem with your water service or have a complaint, contact your service provider first and give it a chance to correct the problem. If you can't resolve your problem with the utility, there are two places to turn for help --

**For problems with billing, meter reading, establishing service and similar issues contact the UTC**

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Olympia, WA 98504-7822  
website: [www.doh.wa.gov](http://www.doh.wa.gov)

If you contact the UTC, we'll need to know specific information about your service and the problem. Our staff will attempt to mediate the problem with the company. We call these "informal complaints." If the problem involves water quality or quantity, your informal complaint may be referred to the Department of Health.

If the problem isn't resolved informally and it involves a possible violation of law, UTC rule, or the company's own tariff, you may file a "formal" complaint. You don't have to be a lawyer to file a formal complaint, but it is a formal legal proceeding with hearings, wit-

nesses and legal documents. UTC authority is limited to order refunds and penalties. It cannot award you damages. You will need to go to court if you are seeking compensation for damages caused by the company.

If your complaint is with the rates charged by the company in general, the process is different. Customers may file a complaint against rates, but state law requires the complaint to be signed by 25 customers of the water company or 25% of the customers, whichever is less. A complaint against rates may also be filed by a mayor, city council or the UTC.

## Help us help you!

**In order to speed our investigation, when you contact us with a complaint, please provide the following information.**

- Your name, mailing address and phone number.
- The name of the company you have a problem with and your account number, if possible.
- Whether you have contacted the company with your problem and the result.
- As much detail as possible about the problem and what you'd like to see done to resolve it.